

Message Text

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51 73

ORIGIN EB-11

INFO OCT-01 ISO-00 EUR-25 EA-11 IO-14 FEA-02 AEC-11 AID-20

CEA-02 CIAE-00 CIEP-03 COME-00 DODE-00 FPC-01 H-03

INR-11 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 NEA-14

SSO-00 NSCE-00 USIE-00 INRE-00 /197 R

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EUR/NE:MR. P. F. CANNEY

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O R 270230Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY STOCKHOLM IMMEDIATE

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY OTTAWA

USMISSION OECD PARIS

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY OSLO

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY BERN

AMEMBASSY MADRID

AMEMBASSY VIENNA

AMEMBASSY CANBERRA

AMEMBASSY WELLINGTON

USMISSION USUN NEW YORK

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C O N F I D E N T I A L STATE 187612

2ND CORRECTED COPY (4TH LINE PARA 3 OMITTED)

E.O. 11652: GDS

TAGS: ENRG:SW

SUBJECT: SWEDISH INTEREST IN JOINING IEP

REF: (A) STOCKHOLM 3854; (B) STATE 178412

1. SWEDISH CHARGE CALLED ON ASSISTANT SECRETARY FOR ECONOMIC AND BUSINESS AFFAIRS ENDERS ON AUGUST 19 TO EXPRESS FORMALLY SWEDEN'S INTEREST IN PARTICIPATING IN INTEGRATED EMERGENCY PROGRAM AND OTHER ECG FOLLOW-ON ACTIVITY. HE NOTED THAT GOS WAS MAKING SIMILAR REPRESENTATIONS IN ALL ECG CAPITALS. CHARGE EXPLAINED THAT GOS HAD BEEN KEPT INFORMED ON WORK IN ECG BY NORWAY AND DENMARK BUT HAVE WISHED TO EXAMINE IN DETAIL DRAFT EMERGENCY PROGRAM AND OTHER ECG PROPOSALS.

2. IN REPLY, ENDERS EXPLAINED IN DETAIL MAJOR ELEMENTS OF EMERGENCY PROGRAM, STRESSING THE NATURE OF THE DEMAND RESTRAINT AND EMERGENCY SUPPLY COMMITMENTS AS WELL AS MANNER IN WHICH OIL WOULD BE ALLOCATED WITHIN THE GROUP DURING AN EMERGENCY. ENDERS EMPHASIZED, IN HIS DISCUSSION OF IEP MECHANISM, THE AUTOMATICITY OF THE TRIGGERS. HE EXPLAINED THAT WHILE THE TRIGGER WOULD BE SUBJECT TO A REVIEW MECHANISM, IT IS VIEW OF ALL ECG COUNTRIES (EXCEPT POSSIBLY NORWAY) THAT PROGRAM SHOULD CONTAIN A STRONG PRESUMPTION OF POSITIVE ACTION IN AN EMERGENCY. HENCE, ACTIVATION OF EITHER THE SEDLDDLECTIVE OR GENERAL TRIGGERS WOULD ONLY BE BLOCKED BY A VERY SUBSTANTIAL MAJORITY OF THE PARTICIPATING COUNTRIES.

3. IN RESPONSE TO CHARGE'S QUESTION REGARDING INSTITUTIONAL ARRANGEMENTS FOR ECG FOLLOW-ON ACTIVITIES, ENDERS EXPLAINED THAT GROUP HAD DECIDED TO SEEK TO HOUSE ITS CONTINUING COOPERATION IN NEW AUTONOMOUS AGENCY OF OECD. HOWEVER, THIS MOVE WILL BE SUBJECT TO UNANIMOUS APPROVAL OF OECD COUNCIL, AND IF THIS APPROVAL IS NOT FORTHCOMING, ECG MEMBERS WOULD PROCEED TO ESTABLISH NEW PERMANENT ORGANIZATION OUTSIDE OECD.

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4. CHARGE ALSO ASKED ABOUT USG VIEWS ON RELATIONS WITH OIL PRODUCING COUNTRIES AND A POSSIBLE CONSUMER/PRODUCER CONFERENCE. ENDERS EXPLAINED THAT CONSUMERS IN ECG HAD AGREED THAT THEIR FIRST TASK SHOULD BE TO STRENGTHEN THEIR OWN COORDINATION AND COOPERATION. IT HAS BECOME CLEAR IN RECENT MONTHS THAT NO LARGE CONSUMER/PRODUCER CONFERENCE IS LIKELY TO TAKE PLACE IN THE NEAR FUTURE.

THERE IS LITTLE INTEREST IN ANY SUCH LARGE GATHERING ON EITHER SIDE. HOWEVER, ECG MEMBERS ARE AGREED ON NEED TO EXPLORE ALL POSSIBLE WAYS OF IMPROVING THE "DIALOGUE" WITH PRODUCERS, BOTH BILATERALLY AND MULTILATERALLY. IN THIS CONNECTION, ENDERS REFERRED TO VARIOUS PROPOSALS FROM IRANIANS AND SAUDIS FOR SOME TYPE OF SMALL, RESTRICTED CONFERENCE AMONG A FEW KEY PRODUCERS AND LARGE CONSUMERS. HE NOTED THAT WE HAVE RESPONDED THAT WE ARE GENERALLY RECEPTIVE TO SUCH A CONFERENCE, PROVIDING IT IS PROPERLY ORGANIZED AND WELL PREPARED, AND THAT WE ARE WILLING TO CONSIDER ANY SPECIFIC PROPOSAL. THUS FAR, HOWEVER, WE HAVE RECEIVED NO SUCH SPECIFIC PROPOSAL.

5. WITH REGARD TO THE GENERAL QUESTION OF IEP MEMBERSHIP, ENDERS EXPLAINED THAT, WHILE THERE IS NOT YET FINAL DECISION ON THIS POINT, GENERAL VIEW IN ECG IS THAT ALL FOLLOW-ON ACTIVITIES SHOULD BE OPEN TO OTHER OECD MEMBERS WILLING AND ABLE TO TAKE ON OBLIGATIONS OF PARTICIPATION, SUBJECT OF COURSE TO APPROVAL BY OTHER IEP MEMBERS. ENDERS EXPLAINED THAT WE WOULD TEND TO CONSIDER MEMBERSHIP VOTE AS ESSENTIALLY A NEW OBLIGATION WHICH SHOULD THEREFORE BE SUBJECT TO UNANIMITY RULE.

6. CHARGE EXPRESSED APPRECIATION FOR ENDERS COMMENTS. ENDERS SAID USG WOULD OF COURSE BE WILLING TO CONSULT FURTHER ON IEP WITH GOS IF SWEDES BELIEVED THIS WOULD BE HELPFUL TO THIS CONSIDERATION OF POSSIBLE PARTICIPATION.

7. FYI. GOS AND OTHER GOVERNMENTS WHICH HAVE EXPRESSED INTEREST IN IEP WILL RECEIVE COPY OF LATEST IEP DRAFT, WHICH WILL BE CONSIDERED AT SEPTEMBER 3-6 ECG WORKING GROUP SESSION, FROM DANES WHO WILL CHAIR WORKING GROUP. KISSINGER

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